APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
09/057,781	04/09/98	TAKATSU	Y	65316-002

LM02/0623

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EXAMINER
SMITH,D

ART UNIT	PAPER NUMBER
2763	

DATE MAILED:
06/23/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trad marks

[X] Responsive to communication(s) filed on _Apr 9, 1998_

[ ] This action is **FINAL.**

[ ] Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is clos d** in accordance with the practice under _Ex parte Quayle,_ 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire _____3___ month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claim

[X] Claim(s) _1-27_____ is/are pending in the applicat

   Of the above, claim(s) _____ is/are withdrawn from consideration

[ ] Claim(s) _____ is/are allowed.

[X] Claim(s) _1-27_____ is/are rejected.

[ ] Claim(s) _____ is/are objected to.

[ ] Claims _____ are subject to restriction or election requirement.

Application Papers

[X] See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

[ ] The drawing(s) filed on _____ is/are objected to by the Examiner.

[ ] The proposed drawing correction, filed on _____ is [ ] approved [ ]disapproved.

[ ] The specification is objected to by the Examiner.

[ ] The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

[ ] Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

   [ ] All [ ] Some* [N]one of the CERTIFIED copies of the priority documents have been

      [ ] received.

      [ ] received in Application No. (Series Code/Serial Number) _____ .

      [ ] received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

   *Certified copies not received: _____

[ ] Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

[X] Notice of References Cited, PTO-892

[X] Information Disclosure Statement(s), PTO-1449, Paper No(s). _____5___

[ ] Interview Summary, PTO-413

[X] Notice of Draftsperson's Patent Drawing Review, PTO-948

[ ] Notice of Informal Patent Application, PTO-152

--- *SEE OFFICE ACTION ON THE FOLLOWING PAGES* ---

Part III DETAILED ACTION

Priority

1.   Acknowledgment is made of applicant's claim for foreign priority based on an application

filed in Japan on 4/10/97 . It is noted, however, that applicant has not filed a certified copy of the

foreign application as required by 35 U.S.C. 119(b).

Information Disclosure Statement

2.   The prior art submitted on 04/09/98 has been considered as indicated on the enclosed

copies of form PTO-1449

Claim Rejections - 35 USC § 102

3.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the

basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless --
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4.   Claims 1, 3, 5-13, 16, 20, 21, 22, 25-27 are rejected under 35 U.S.C. 102(b) as being

anticipated by Rosen (5,453,601).

As to claim 1, Rosen discloses a network (exemplified by the lines interconnecting

modules and systems) to mediate transactions between money modules, the participating banks of

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the system and the security system (see col. 7, lines 64-67); banks or financial institutions that are coupled to a money generator device for generating and issuing to subscribing customers electronic money including electronic currency backed by demand deposits and electronic authorizations (see col. 3, lines 43-47); each money module must commit to the money module with which it has established a session. Thus, transaction money module when then commits to the Money Generator module (see col. 49, lines 43-49); the packet manager will utilize an algorithm so that the least number of electronic notes are used to fulfill the requested amount of transfer (see col. 13, line 26-27);

the money generator module includes a unique application not present in other money modules for responding to requests for electronic for electronic money. This is the Money Creator application. (see col. 17, lines 14-17);

(3)the pay/exchange application supervises the sending and receiving of electronic notes between Transaction money modules, managing the process in which the electronic notes are properly "packaged" as to amount, digital signatures, etc. (See col. 12, lines 2-6); a plurality of transaction devices that are used by subscribers for storing electronic money (see abstract, lines 10-12);a money module for accepting, storing, and transferring the electronic money between other accepting money modules and between the accepting money module and the issuing money module (see col. 4, lines 49-52).

As to claims 3 and 5, Rosen discloses in the case of a Transaction money module, an insufficient amount of funds will cause the subscriber to be prompted to enter a new amount for

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the withdrawl. The newly entered amount causes the To Teller application to sent the new

request to the To Bank application of the Teller money module to verify if there are sufficient

funds to cover the latest requested amount. If the new request is still greater than the funds on

balance at the bank, the Teller money module will initiate to abort the transaction between the

two money modules. In the case of a Teller Money Module, the transaction is allowed to

overdraw the account (see col. 43, lines 61-67 - col. 44, lines 1-3).

As to claim 6, Rosen discloses at an issuing bank an asset account reflecting the balance of

a clearing account at a Clearing Bank and at a Correspondent Bank, Deposited at Issuing Bank

Account: An asset account reflecting the balance of the Correspondent Bank account at the

Issuing Bank; Money Due Account: An asset account reflecting the money deposited to the

bank's account (see col.26, lines 37-66).

As to claims 7 and 8, Rosen discloses to preserve the integrity of the electronic monetary

system, each exchange of electronic money includes, along with other information, data

identifying the monetary unit of the credit of currency the amount by unit of credit or currency,

the bank issuing the electronic credit or currency, and several digital signatures (see col. 4, lines

23-29);

assuming the certificate validity check is satisfied, the Security Server sends an updated

list of the bad money modules . . . . This information is received by Session Manager A and

forwarded to the Maintain Security application, which validates the certificatory key list and the

bad money module list . . . . Public Key A tests the validity of the signature and if the signature is

not valid, a message warning of a network security problem is sent by the To Subscriber

application A of a Transaction money module . . . (see col. 38, lines 62-67 - col. 39 lines 1-14);

the body group of data fields includes a note identifier, a memory generator module

identifier, an issuing bank identifier, a date of issue, . . . (see col. 21, lines 5-13);

the transfer group of data fields includes a transfer record having a transferee identification

number, a dat-of-transfer (see col. 21, lines 14-16);

application maintains the current date and time, both for user display and for verifying that

an electronic note to be received is not an expired one (see col. 14, lines 5-7); a transaction money

module will not accept expired notes . . . (see col. 23, lines 60-67); the application provides that

the electronic notes are transferred in a recognized, valid format. Notably, this is the application

that allows a money module to perform payments and foreign exchanges. Without this

application in the preferred embodiment, a Transaction money module cannot make a payment to

another Transaction money module (see col. 12, lines 6-10);

electronic representations of currency stored therein, is decremented by said transferred

monetary value upon transferring said transferred electronic representation of currency to said

transferee module. Said current monetary value recorded in said note directory of said transferor

module . . . electronic representations of currency include a money generator digital signature

produced by said money generator and a transferor digital signature produced by said transferor

module (see col. 55, lines 36-47);

(3)the pay/exchange application supervises the sending and receiving of electronic notes between Transaction money modules, managing the process in which the electronic notes are properly "packaged" as to amount, digital signatures, etc. (See col. 12, lines 2-6); a plurality of transaction devices that are used by subscribers for storing electronic money (see abstract, lines 10-12);a money module for accepting, storing, and transferring the electronic money between other accepting money modules and between the accepting money module and the issuing money module (see col. 4, lines 49-52).

As to claim 9, Rosen discloses the body group of data fields includes a note identifier, a memory generator module identifier, an issuing bank identifier, a date of issue, . . . (see col. 21, lines 5-13);

the transfer group of data fields includes a transfer record having a transferee identification number, a dat-of-transfer (see col. 21, lines 14-16);

application maintains the current date and time, both for user display and for verifying that an electronic note to be received is not an expired one (see col. 14, lines 5-7); a transaction money module will not accept expired notes . . . (see col. 23, lines 60-67).

As to claims 10 and 11, Rosen discloses the application provides that the electronic notes are transferred in a recognized, valid format. Notably, this is the application that allows a money module to perform payments and foreign exchanges. Without this application in the preferred embodiment, a Transaction money module cannot make a payment to another Transaction money module (see col. 12, lines 6-10);

electronic representations of currency stored therein, is decremented by said transferred

monetary value upon transferring said transferred electronic representation of currency to said

transferee module. Said current monetary value recorded in said note directory of said transferor

module . . . electronic representations of currency include a money generator digital signature

produced by said money generator and a transferor digital signature produced by said transferor

module (see col. 55, lines 36-47).

As to claim 12, Rosen discloses electronic money including electronic currency backed by

demand deposits in a bank in lieu of cash transactions, and electronic credit authorizations. . .

generating the electronic money, and accepting the electronic money . . . (see col. 4, lines 43-52);

records of the notes generated and conveyed by the Money Generator module are sent to the local

bank's Transaction Reconciliation System and an Issuing Bank's Money Issued Reconciliation

system . . . (see col. 9, lines 27-35).

As to claim 13, Rosen discloses any well known symmetric key cryptography technique,

such as the National Data Encryption Standard (DES) system or other cryptography techniques,

may be provided in this application (see col. 14, lines 46-49);

providing the authorized users with a transacting module for accepting, storing and

transferring the electronic representations of economic value to other authorized users having the

transacting module and to the teller processing module (see col. 5, lines 31-35);

the pay/exchange B receives the dollar amount and the rate that is proposed by Alice and

if the amount and rate are not agreed by Bob, Pay/Exchange will send a message indicated that

the value or exchanging rate is incorrect . . . if the amount and rate are agreed to by Bob,

Pay/Exchange will calculate the equivalent amount in pounds, based on the rate provided (see col.

51, lines 37-52).

As to claim 16, Rosen discloses the network Server may in turn convey an access-denied

message to Session Manager A of the Transaction money module . . .if it is a teller money module

or Money Generator Module that is trying to access the Network the To Bank A application

notifies the bank's systems that its access will not be permitted (see col. 38, lines 51-61).

As to claim 20, Rosen discloses records of the notes generated and conveyed by the

Money Generator module are sent to the local bank's Transaction Reconciliation System and an

Issuing Bank's Money Issue Reconciliation System for maintaining statistical and housekeeping

functions. Records of the electronic notes cleared and settled at the Clearing Bank are also

provided to the Money Issue Reconciliation System. (See col. 9, lines 27-42).

As to claims 21, 22, 25, 26, and 27, Rosen discloses a network (exemplified by the lines

interconnecting modules and systems) to mediate transactions between money modules, the

participating banks of the system and the security system (see col. 7, lines 64-67); banks or

financial institutions that are coupled to a money generator device for generating and issuing to

subscribing customers electronic money including electronic currency backed by demand deposits

and electronic authorizations (see col. 3, lines 43-47); each money module must commit to the

money module with which it has established a session. Thus, transaction money module when

then commits to the Money Generator module (see col. 49, lines 43-49); the packet manager will

utilize an algorithm so that the least number of electronic notes are used to fulfill the requested

amount of transfer (see col. 13, line 26-27);

the money generator module includes a unique application not present in other money

modules for responding to requests for electronic for electronic money. This is the Money

Creator application. (see col. 17, lines 14-17);

an issuing bank an asset account reflecting the balance of a clearing account at a Clearing Bank

and at a Correspondent Bank, Deposited at Issuing Bank Account: An asset account reflecting the

balance of the Correspondent Bank account at the Issuing Bank; Money Due Account: An asset

account reflecting the money deposited to the bank's account (see col.26, lines 37-66).

Claim Rejections - 35 USC § 103

5.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness

rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

6.   Claims 14, 15, 17, 18, and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable

over Rosen in view of Nguyen et al (6,072,870).

As to claims 14, 15, 17, 18, and 19, Rosen discloses the device may include a keyboard, a

pen or stylus, a touch screen or voice recognition circuitry as a data input means . . . (see col. 10,

lines 37-48); Rosen discloses a Network Server (see col.38, lines 40-41). Rosen is vague in

disclosing the limitation of "acquiring said application form data affixed with said resource

locator, received from said contract applying means, and transmitting said application form data

to said contract applying means." Although not specifically taught in Rosen, in order to perform

transactions or transfer money on a network, authorization from the user must be made in order

to entail the necessary terms and conditions for the transaction and to designate the user's

account. However, Nguyen et al discloses in order to actually transact business over the Internet,

the merchant must first obtain a merchant ID form the merchant bank with which he signs an

acquiring agreement (see col. 64, lines 34-36); a user may fill out the a certificate issuance form

on-line on paper and mail it in, or get his bank or credit card company to deliver it (see col. 92,

lines 16-18); the certificate authority takes this information and uses it to validate that he is indeed

entitled to use the payment method. . . The certificate information is loaded into the consumer's

software to enable payment process to proceed online (see col. 92, lines 21-31). It would

therefore have been obvious to one having ordinary skill in the art to include applying for a

contract on-line and transmitting the contract in the network system of Rosen because Nguyen

provides an efficient means of processing the application form.

Allowable Subject Matter

7.   Claims 2 and 4 are objected to as being dependent upon a rejected base claim, but would

be allowable if rewritten in independent form including all of the limitations of the base claim and

any intervening claims.

Conclusion

8.   The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure.

Fujisaki et al (5,901,229) discloses an electronic cash implementing method using a

trustee, a user registers has identification information and anonymous public key with the trustee

and receives a license.

9.   Any inquiry concerning this communication or earlier communications from the examiner
should be directed to **Demetra R. Smith**, whose telephone number is (703) **308-6989**. The
examiner can normally be reached on Tuesday-Friday from 8:00 a.m. to 5:00 p.m. EST.

If attempts to reach the examiner by phone fail, the examiner's supervisor, **Kevin J.
Teska**, can be reached at (703) **305-9704**. Additionally, the fax phone for Art Unit 2764 is (703)
308-9051 or 308-9052, (for formal communications intended for entry), or (703) **308-5397** (for
informal or draft communications, please label "PROPOSED" OR "DRAFT").

Hand-delivered responses should be brought to Crystal Park II, 2121 Crystal Drive,
Arlington, VA, Sixth Floor (Receptionist).

Communications via Internet e-mail regarding this application, other than those under 35
U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be
addressed to **[Demetra.Smith@uspto.gov]**.

All Internet e-mail communications will be made of record in the application file. PTO
employees do not engage in Internet communications where there exists a possibility that sensitive
information could be identified or exchanged unless the record includes a properly signed express
waiver of the confidentiality requirement of 35 U.S.C. 122. This is more clearly set forth in the
Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on
February 25, 1997 at 1195 OG 89.

Art Unit: 2764

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist at (703) 305-3900.

Demetra R. Smith
Patent Examiner
Group Art Unit 2764
June 19, 2000

RwF
RUSSELL W. FREJD
PATENT EXAMINER